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UNCLAS SECTION 01 OF 03 KATHMANDU 000978

SIPDIS

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E.O. 12958: N/A

TAGS: [OFDP](#)

SUBJECT: MAOIST INSURGENCY IN NEPAL (SITREP ONE)

REFS: (A) STATE 69408, (B) KATHMANDU 515, AND (C) KATHMANDU
00703

[1](#)1. This is a reporting cable only.

[1](#)2. Summary:

A) This cable reports briefly on: significant events/trends of the Maoist insurgency; current status of activities related to the disaster declaration, and Mission activities in response to the insurgency.

B) This cable contains no recommendations for immediate action. These will be forthcoming from the Mission as further information on the humanitarian situation is developed.

C) Recent aggression of the Maoists toward the Nepal Red Cross underscores the need for USG humanitarian assistance to be provided in such a way that the neutrality of NGOs working in Maoist areas is not compromised, rendering them ineffective.

D) Mission is fully engaged in addressing the issues of conflict in Nepal through its recently approved SPO and will confer with ANE in regard to the need for additional resources and expert advice.

[1](#)3. Events:

A) Royal Nepal Army's success in attacking a Maoist training camp in Lisne VDC in Rolpa where they claimed to have killed 548 Maoists was quickly followed on May 7 by losses to the Maoists in Gam VDC where a combined Army and Police outpost was overrun. There were 123 security personnel (53 RNA, 40 regular police, and 30 Armed Police) at the post. After the attack, 35 burned and unidentifiable bodies were found. Twelve wounded RNA, one policeman, and five Armed Police have been evacuated to hospitals, and five other RNA and sex regular police survived the attack. All others are unaccounted for. No villagers have been found and whether they were killed, abducted or fled is unknown.

B) Suspected Maoist insurgents set fire to a Pepsi-Cola truck making deliveries in Dolakha District on May 7. According to Rajiv Sant, Managing Director for the Indian-owned Pepsi franchise in Nepal, three gunmen stopped the truck and ordered the driver, salesman and distributor to get out. After robbing them, Sant said the gunmen told the three Pepsi employees that we don't want American companies here." One of the gunmen then reportedly blew a whistle, at which point a number of young men emerged from the surrounding forest. The group then drove the truck off, leaving the three Pepsi employees to walk to the next town. The three gunmen meanwhile, calmly walked off into the jungle, according to Sant.

C) Coincident with Prime Minister Deuba's visit to Washington and London the Maoist proposed a unilateral one month cease fire. Deuba citing deceit on earlier occasions, rejected the overture by the Maoists. Maoist sources quickly claimed that the cease-fire proposal was a fake and not penned by the movement. This was widely interpreted as a face saving gesture by the Maoists.

D) The previously declared state of emergency, due to expire on May 24, may be extended despite some opposition in parliament. The King has called a special session of Parliament May 23 to debate extension of the emergency.

E) On May 12 in Rolpa, Maoists abducted district, Narayan Prasad Subedi, a local teacher and member of the Red Cross. He was General Secretary of the Red Cross in Rolpa district and President of the teachers' association there.

Trends:

F) In addition to government officials and opposition political cadres who had been the traditional targets of the Maoists, teachers and other figures of authority in rural areas are increasingly singled out for attack. Other more recent trends are attacks on infrastructure such as telecommunications and water schemes, the use of torture (some of which has been in front of victims' families), and the use of human shields in attacks on GON military and police positions.

Comment

G) It is unclear whether the abduction mentioned in (E) under paragraph (3) was because Mr. Subedi was a teacher or because of his position in the Red Cross. However, the event along with the attack on the Pepsi-Cola truck underscores the need for ensuring that USG humanitarian aid be provided in such a way that recipient organizations do not become targets of the Maoists.

4) Disaster Declaration:

A) The Nepal Red Cross is in the process of replenishing emergency stores used in previous responses to people affected by the Maoist insurgency. At the completion of this task the Mission will reimburse up to \$50,000 of this expense.

B) The assessment being carried out by the Red Cross and promised to the Mission is being hampered by Maoist attacks on telecommunications that have made it all but impossible to consolidate information from individual districts into a coherent assessment of the overall situation. ICRC is currently assisting Nepal Red Cross in the development of a functional communications system but this will take some time. Meanwhile the Mission has gained approval from the Ambassador to fund an assessment of IDPs in Nepal and is rapidly moving forward to implement it using the services of an international expert with ICRC experience. Mission will keep Washington apprised. In addition to the \$50,000 provided to the Embassy, an additional \$50,000 was provided by OFDA as part of the disaster declaration for use for an assessment.

C) Lack of communications, isolation of many Maoist affected areas, and the press embargo which is part of the state of emergency, combine to severely limit the ability of external organizations to confidently assess the magnitude of the insurgency's affect on the civilian population. It is hoped that a better picture can be developed when ICRC teams currently in the field return to Kathmandu next week. The UNOCHA representative who was in Nepal for the last two weeks as part of a conflict assessment team, reported in a de-briefing meeting today that he had not found it possible to gather anything more than anecdotal information regarding IDPs and the humanitarian needs in the country.

5) In regard to the conflict, to date USAID/Nepal has taken the following action:

A) Worked to establish a Mission Interagency Committee to focus on the coordinated deployment of individual agency resources to best assist the GON to resolve the conflict and restore political stability. The Committee has established a common set of goals and objectives across all agencies, including the military. Ambassador Malinowski is actively leading the USG effort.

B) Conducted an assessment on service delivery and also produced a report, "Democratic Governance Under Threat", which establishes a common history and intellectual understanding of events in Nepal. Copies are available from the Nepal Desk Officer.

C) Gained approval for a Special Strategic Objective (SpO) which directly addresses the conflict. The SpO has 4 components: 1) Employment generation and the provision/rehabilitation of basic infrastructure; 2) Support to victims of torture, returned combatants and internally

displaced persons; 3) Technical assistance and policy dialogue to strengthen GON policy decisions; and 4) Short-term Local Governance Activities.

D) Established a database of information including maps and charts regarding the course of the conflict and is exploring incorporating this into a GIS system.

E) Established a Special Projects Office to implement the SpO and staffed it.

Note: USAID/Nepal is hiring a GIS specialist to integrate data with

h GIS mapping systems, a USPSC

DG/Conflict Specialist and a USPSC Manager for the Infrastructure Program.

F) Mission is coordinating with other donors to develop a common position with the GON regarding corruption, and the need to structure interventions to reach the local level as rapidly as possible. The WB, ADB, and DFID are negotiating with the GON to establish conditions to "irrevocably change" the way funds are distributed to local bodies. The initial emphasis is on providing education and health services to rural areas.

G) Under the S05 Governance program, USAID/Nepal is focusing on strengthening the demand for services and improving accountability and transparency in the financial management of public resources. and

training for local elected officials, particularly women

In addition, USAID is part of the Donors' Peace Support Group, and participates in various donor sector groups, and frequently confers with DFID, GTZ, DANIDA, and representatives of the Japanese and Australian governments on the conflict. U.S. diplomatic efforts are ongoing and a needs assessment by a military team was recently completed.

USAID/Nepal is working with PPC/PDC staff to look at additional conflict mitigation factors. USAID/Nepal is also planning in-depth analyses for new, related EG and DG strategies within the context of the conflict. The contact person in the ANE Bureau handling strategy issues is Rebecca Cohn. Bernadette Bundy is the Nepal desk officer. Azza el-Abd heads USAID/Nepal's Special Projects Office.

MALINOWSKI